

July 13, 2006

Federal Trade Commission/ Via email at [https://secure.  
commentworks.com/](https://secure.commentworks.com/)  
Office of the Secretary, Room H-135 (Annex W)  
Re: Business Opportunity Rule, R511993 ftc-bizopNPR/  
600 Pennsylvania Avenue, NW  
Washington, D.C. 20580

Re: Business Opportunity Rule, R511993  
Ladies and Gentlemen:

I am writing this letter because as an distributor for a direct sales company, I am concerned about the proposed new business Opportunity Rule R511993. I compliment you in your efforts to protect the public of which I am one. By welcoming public comments, I can see that you are sincere in your endeavors to find a just solution to the fraud that takes place in our industry while protecting the incomes of the innocent.

I realize it would be impossible to know every industry in detail with such a broad responsibility that you carry. This is why I am writing you. I believe this new set of rules in there present form may hurt more people than what it may protect.

The proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser may increase identity fraud. I am very uncomfortable with the giving out of personal information of individuals to strangers. Privacy laws may be violated and may lead to complaints being made by these violated customers to their Congressional representatives. This could lead to unwanted pressure. Also some of these customers will have become distributors and you would be requiring me to give out the names of my competitors to my prospect.

In its present form, I fear that it could severely hurt my employer, 4Life Research USA, LLC ("4Life"). I understand that part of the FTC's responsibility is to protect the public from "unfair and deceptive acts or practices," but some of the sections in the proposed rule will make it extremely difficult (if not impossible) and very costly for 4Life to continue its business. I have work with 4Life Research for eight years. I have invested a great deal of time into creating a retirement income. I am now 59 years old. All of this could be in danger through these new rules.

I know a great number of retired individuals that have established an income to supplement their Social Security with a check from 4Life. These new rules will make it much more difficult for these individuals and cause many of them to lose this needed income.

One of the most burdensome sections of the proposed rule is the seven day waiting period to enroll new distributors. It is important for the FTC to understand the initial investment a distributor must make in order to become a 4Life independent distributor. 4Life's sales kits cost \$29.95. Consumers buy televisions, cars, and other items that cost much more than the price of a 4Life sales kit, and they do not have to wait seven days. I feel that this waiting period gives the impression that there might be something wrong with 4Life's opportunity. I also think this seven day waiting period is unnecessary because 4Life already has a 90% buy-back policy for all products, including sales kits purchased by a salesperson within the last twelve months. Under the proposed waiting period requirement, 4Life's independent distributors will need to keep very detailed records about when they first make contact with a prospective purchaser and will then have to retain these documents for three years. The related administrative costs for 4Life will be very expensive.

Under the proposed rule, 4Life's plan would fall under FTC regulatory authority, since the existing \$500 threshold under the existing franchise rule will be eliminated and 4Life will be required to produce numerous pieces of documented materials in order to comply with the proposed rule.

The proposed rule also calls for the release of any information regarding lawsuits involving misrepresentation or unfair or deceptive practices, regardless of whether or not the company was found innocent. In today's legal environment, anyone or any company can be sued for almost anything. I see little value in disclosing these lawsuits unless 4Life is found guilty. 4Life is put at an unfair advantage even though it has done nothing wrong. In addition, it seems that everyone throws claims for misrepresentation into every complaint these days. Should prospective

distributors be concerned, for example, about litigation between the company and a software provider if their contract dispute contains a claim for misrepresentation? At the most, it seems appropriate to include only litigation that is related to the earning opportunity offered to a prospective distributor.

I am concerned that this approach will be ineffective in preventing the targeted business opportunity fraud, since those perpetuating fraudulent business opportunities will not provide accurate data. Direct selling companies such as 4Life, which will try to faithfully comply, will have the difficult, if not impossible, challenge of interpreting and meeting some of the proposed requirements.

I believe that in order to stop a minority of fraudulent people that many ethical distributors will be hurt. The sad fact is that many of the scrupulous offenders will still find ways around the rules while the honest distributors will be penalized. Again I appreciate the work of the FTC to protect consumers, but I believe this proposed new rule has many unintended consequences that will not only destroy the business that my co-workers and I have worked very hard to create, but also the businesses of all of 4Life's U.S. independent distributors.

I hereby respectfully request that the proposed Business Opportunity Rule R511993 not be adopted; or, alternatively, create an exemption for direct selling companies.

Thank you for your consideration.

Highest regards,  
Mike